

24 JUN 1976

Mr. James M. Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

I am writing to offer certain comments regarding S. 1439, a bill which reorganizes the export functions of the Government with respect to non-military nuclear equipment and technology. This legislation was reported favorably with amendment by the Senate Government Operations Committee on 13 May 1976 and was referred jointly to the Senate Foreign Relations Committee and Joint Committee on Atomic Energy for a period of 60 days.

The Central Intelligence Agency is not directly concerned with the activities covered in S. 1439. However, there are at least five provisions in the bill under which the Agency may be called upon to provide foreign intelligence information to other Executive branch components. These include:

- a. Paragraphs (1) and (2) of Section 4(c). These paragraphs require the Secretary of State to provide the Nuclear Regulatory Commission with certain data and recommendations which the Secretary is authorized to obtain from other Government agencies.
- b. Paragraph (4) of Section 6(c). This paragraph authorizes the Commission to furnish Congress a complete record pertaining to export license applications and all data, findings and recommendations furnished to the Commission by the Secretary of State and other Executive agencies.
- c. Section 7. This section authorizes the Arms Control and Disarmament Agency to prepare and to furnish the Commission, the Secretary of State, and the Congress a "Nuclear Proliferation Assessment Statement" with respect to certain strategically significant agreements and arrangements relating to non-military nuclear energy facilities and technology.




d. Section 8(c). This section directs the President to review all activities of Government agencies relating to limiting the spread of nuclear weapons and to make an annual report to Congress on Government efforts to control proliferation.

e. Paragraph (3)(D) of Section 10. This paragraph directs the President annually to submit to Congress information on the import or indigenous production by a non-nuclear weapons country of technology, components or facilities capable of producing special fissionable material suitable for direct use in a nuclear explosive device.

The impact of S. 1439 on the Central Intelligence Agency will depend upon the extent of assistance requested by the Secretary of State, the Nuclear Regulatory Commission and the Arms Control and Disarmament Agency in carrying out their duties under the proposed Act. In this connection, the Director of Central Intelligence has the statutory responsibility for protecting intelligence sources and methods from unauthorized disclosure, under section 102(d)(3) of the National Security Act of 1947. While there is no provision in S. 1439 which authorizes the public disclosure of sensitive information, it is believed that, to avoid confusion or misunderstanding, the bill should expressly state that its provisions should not be construed to authorize or permit the public disclosure of information classified under Executive order or statute.

Sincerely,

SIGNED


Legislative Counsel

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